

HUMAN SERVICES BOARD

INTRODUCTION

FINDINGS OF FACT

2. At a review of her case by the Department on January 6, 2006, the petitioner reported that she was out of work and receiving unemployment benefits. On January 20, 2006 the Department notified the petitioner that due to this change in

status she was no longer financially eligible for Medicaid, effective February 2, 2006. However, based on her income at the time, the Department found the petitioner eligible for VHAP Pharmacy benefits.

3. The petitioner does not dispute that as of January 2006 her income is \$1,380.50 a month from SSI and unemployment benefits. At the hearing in this matter, held on March 3, 2006, the petitioner indicated that she would probably be returning to work in April. The petitioner was advised to reapply for Medicaid if and when she either becomes employed or loses her unemployment benefits.

ORDER

The Department's decision is affirmed.

REASONS

The income limit for "regular" Medicaid eligibility for persons also receiving Medicare is \$985 a month. W.A.M. § P-2420B. In this case, there is no dispute that the petitioner's income exceeds that amount.

The Working Disabled program is designed to encourage disabled individuals on Social Security benefits to work despite their disabilities and remain eligible for Medicaid. The income maximum for Working Disabled Medicaid is 250

percent of poverty (i.e., about \$2,000 a month). When the petitioner was working prior to January 2006 she qualified for Medicaid because her combined income from employment and SSI was below this amount.

Categorical (as opposed to financial) eligibility for Working Disabled Medicaid is defined as: "Individuals with disabilities *who are working* and otherwise eligible for SSI-related Medicaid." W.A.M. § M200.24 (emphasis added). When the petitioner lost her job and went on unemployment benefits, the Department correctly determined that she no longer met the above definition. She did remain *categorically* eligible for "regular" Medicaid because she continued to be disabled. However, even though her income had decreased in January (because unemployment pays her less than her former wages) she was no longer *financially* eligible for regular Medicaid.

The petitioner is correct in her perception that she became worse off in terms of Medical coverage even though her income decreased in January. Unfortunately, the regulations do not allow for or contemplate a "cushion" of continuing medical coverage (i.e., continued preferential treatment over other disabled persons) when a person on the working Disabled program becomes involuntarily unemployed. Hopefully, the

petitioner can return to work (and, thus, again become eligible for the Working Disabled program) in the near future. In the meantime, however, it appears that as of January 2006 the Department correctly applied the above regulations in determining the petitioner's continuing eligibility for Medicaid under the "regular" income guidelines for that program. Thus, the Department's decision must be affirmed. 3 V.S.A. § 3091(d), Fair Hearing Rule No. 17.

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